



## Consolidated Financial Results for the Nine Months Ended May 31, 2025 [Japanese GAAP]

July 11, 2025

Company name: Valence Holdings Inc.

Securities code: 9270

Representative: (Title) Representative Director

Contact: (Title) Director and CFO

Scheduled date for commencing dividend payments: —

Preparation of supplementary financial results briefing materials:

Holding of financial results briefing:

Stock exchange listing: Tokyo Stock Exchange

URL: <https://www.valence.inc/>

(Name) Shinsuke Sakimoto

(Name) Shinichiro Sato (TEL) +81-3-4580-9983

Yes

Yes

(Amounts of less than one million yen are truncated.)

### 1. Consolidated financial results for the nine months ended May 31, 2025 (September 1, 2024 to May 31, 2025)

#### (1) Consolidated operating results

(% indicates year-over-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended May 31, 2025	63,098	2.8	1,285	—	1,224	—	532	—
Nine months ended May 31, 2024	61,387	14.4	(622)	—	(754)	—	(659)	—

Note: Comprehensive income: Nine months ended May 31, 2025 505 million yen [—%] Nine months ended May 31, 2024 (600) million yen [—%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended May 31, 2025	40.65	40.50
Nine months ended May 31, 2024	(50.79)	—

#### (2) Consolidated financial position

	Total assets	Net assets	Equity capital ratio
	Million yen	Million yen	%
As of May 31, 2025	29,471	7,505	24.4
As of August 31, 2024	26,648	6,855	24.5

(Reference only) Equity: As of May 31, 2025 7,190 million yen As of August 31, 2024 6,530 million yen

### 2. Dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended in August 2024	—	0.00	—	0.00	0.00
Fiscal year ending in August 2025	—	0.00	—		
Fiscal year ending in August 2025 (forecast)				5.00	5.00

Note: Revision to the dividend forecast announced most recently: None

### 3. Consolidated financial results forecast for the fiscal year ending in August 2025 (September 1, 2024 to August 31, 2025)

(% indicates year-over-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	84,200	3.4	1,300	—	1,150	—	400	—	30.50

Note: Revision to the financial results forecast announced most recently: None

\* Notes

(1) Significant changes in the scope of consolidation during the period: None

(2) Accounting treatments adopted specially for the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and retrospective restatements

1) Changes in accounting policies due to application of new or revised accounting standards: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatements: None

(4) Number of shares of common stock issued

1) Number of shares issued at the end of the period (including treasury shares)

As of May 31, 2025	13,744,460 shares	As of August 31, 2024	13,532,950 shares
-----------------------	-------------------	--------------------------	-------------------

2) Number of shares of treasury shares at the end of the period

As of May 31, 2025	594,879 shares	As of August 31, 2024	508,879 shares
-----------------------	----------------	--------------------------	----------------

3) Average number of shares of common stock during the period

Nine months ended May 31, 2025	13,099,793 shares	Nine months ended May 31, 2024	12,984,571 shares
-----------------------------------	-------------------	-----------------------------------	-------------------

\* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: Yes (voluntary)

\* Explanation on appropriate use of financial results forecasts and other matters of note

Financial results forecasts and other forward-looking statements provided in these materials are based on information available to the Company and certain other assumptions deemed reasonable as of the date of publication of this document, and do not represent any guarantee that the Company will achieve these results. Actual financial results and other aspects of business performance may differ significantly from these forecasts owing to various factors. Please refer to “1. Qualitative information on quarterly financial results (3) Explanation of consolidated financial results forecast and other forward-looking information” on page 5 of the attached materials for conditions forming the basis for financial results forecasts, notes regarding the use of financial results forecasts, and other information.

■ Table of contents of the attached materials

1. Qualitative information on quarterly financial results.....	2
(1) Explanation of business results .....	2
(2) Explanation of financial conditions .....	5
(3) Explanation of consolidated financial results forecast and other forward-looking information.....	5
2. Quarterly consolidated financial statements and major notes .....	6
(1) Quarterly consolidated balance sheet .....	6
(2) Quarterly consolidated statements of income and comprehensive income .....	8
(3) Notes on quarterly consolidated financial statements .....	10
(Significant matters that serve as the basis for preparation of quarterly consolidated financial statements) .....	10
(Notes regarding changes in accounting policies).....	10
(Notes on Segment information, etc.) .....	10
(Notes in the case of significant changes in the amount of shareholders' equity).....	10
(Notes regarding going concern assumptions) .....	10
(Notes regarding quarterly consolidated cash flow statement).....	10

## 1. Qualitative information on quarterly financial results

### (1) Explanation of business results

The reuse industry in which the Company Group operates is expected to continue to grow. The size of the reuse market increased by 7.8% year on year to 3,122.7 billion yen in 2023 and is expected to reach 4 trillion yen in 2030 (source: “2024 Estimate of the Reuse Industry’s Market Size (2023 Edition)” published by The Japan Journal of Remodeling (September 2024)).

As a company whose core business is “reuse,” one of the key initiatives in creating a circular society, the Company Group aims to contribute to a sustainable society through its business activities with “Circular Design for the Earth and Us” set as its purpose. Furthermore, the Company Group aims to become a “Circular Design Company” by 2030, creating new revenue opportunities by offering a variety of options to its customers and partners and promoting the circulation of not only the goods owned by the Company Group but also those owned by its customers and partners.

In the mid-term management plan “To the Next Stage: For 2030 Revival Vision” covering the 3-year period through the fiscal year ending in August 2027, the Company Group is striving to expand its business with the basic policy of carrying out structural reforms to improve profitability and carefully selecting investments that will contribute to expanding the retail business and overseas purchasing, which have been designated as priority areas.

As a result of the business activities based on the above plan, the Company Group’s consolidated financial results for the nine months under review were as follows.

(Unit: million yen)

	Previous nine-month period (from September 1, 2023 to May 31, 2024)	Nine months under review (from September 1, 2024 to May 31, 2025)	Year-on-year change	
			Amount	Percentage
Net sales	61,387	63,098	1,711	2.8%
Operating profit (loss)	(622)	1,285	1,907	–
Ordinary profit (loss)	(754)	1,224	1,979	–
Profit (loss) attributable to owners of parent	(659)	532	1,192	–

Specific initiatives in the nine months under review were as follows.

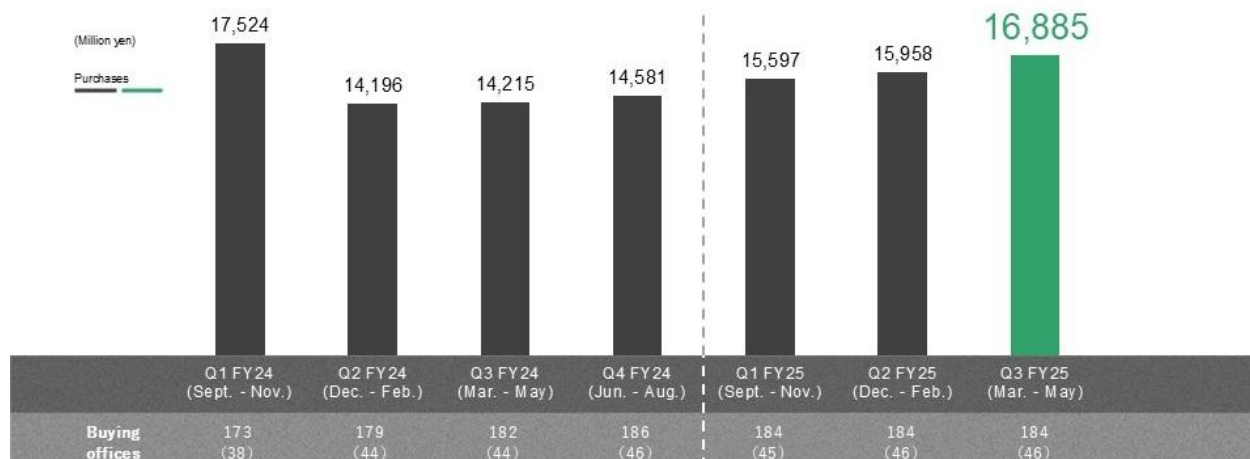
With regard to purchases, the Company Group continued purchases prioritizing the gross profit margin and focused on per-office efficiency. Also, the Company Group continued to focus on purchases through alliances with companies such as department stores and financial institutions. The overseas business concentrated on expansion, particularly in Asia and the Middle East, while proceeding with the scrap-and-build approach, and strived to expand purchases by strengthened web marketing. As a result of these initiatives, purchases during the nine months under review totaled 48,441 million yen (up 2,504 million yen, or 5.5%, from the previous corresponding period).

The total number of buying offices as of the end of the nine months under review amounted to 184 offices, including 138 domestic offices and 46 overseas offices.

In addition, purchases for the third quarter of the current fiscal year totaled 16,885 million yen (up 2,670 million yen, or 18.8%, from the previous corresponding period), owing to the strong bullion market and other factors despite the soft market for watches due to the U.S. tariff measures.

Quarterly trends in purchases and the number of buying offices are as follows.

## Purchases and Buying Offices



\* No. of buying offices includes overseas buying offices. Nos. in parentheses indicate overseas buying offices.

The above figure for purchases does not include purchases of automobiles.

With respect to selling operations, net sales for the nine months under review amounted to 63,098 million yen (up 1,711 million yen, or 2.8%, from the previous corresponding period), largely due to the implementation of flexible sales channel selection and pricing in response to seasonal demand and external environment, and the purchase expansion through contribution of alliances.

As for the auction, products were aggressively allocated to retail for the retail peak season and strong sales resulted from seamless listing, which allows products to be listed on retail e-commerce sites by taking advantage of the lead time for listing on the STAR BUYERS AUCTION. However, purchasing appetite among overseas partners decreased due to the impact of the U.S. tariff measures during the third quarter of the current fiscal year. As a result, net sales from the auction totaled 24,799 million yen (down 4,055 million yen, or 14.1%, from the previous corresponding period) during the nine months under review. Meanwhile, the auction consignments remained strong, and GMV of winning bids on consignments at the auctions for the nine months under review amounted to 15,050 million yen (up 4,188 million yen, or 38.6%, from the previous corresponding period).

In terms of retail, e-commerce sales, similarly to auction sales, were impacted by the decreased purchasing appetite among overseas customers due to the U.S. tariff measures during the third quarter of the current fiscal year. Meanwhile, products were aggressively allocated to retail in response to seasonal demand, seamless listing was fully implemented, and the retail store ALLU SHINJUKU was opened. As a result, retail net sales amounted to 13,437 million yen (up 3,619 million yen, or 36.9%, from the previous corresponding period) during the nine months under review.

As for the wholesale (bullion), the bullion market remained strong, and alliances also contributed. As a result, net sales from wholesale (bullion) amounted to 16,307 million yen (up 3,179 million yen, or 24.2%, from the previous corresponding period) during the nine months under review.

In addition, net sales for the third quarter of the current fiscal year amounted to 22,267 million yen (up 307 million yen, or 1.4%, from the previous corresponding period).

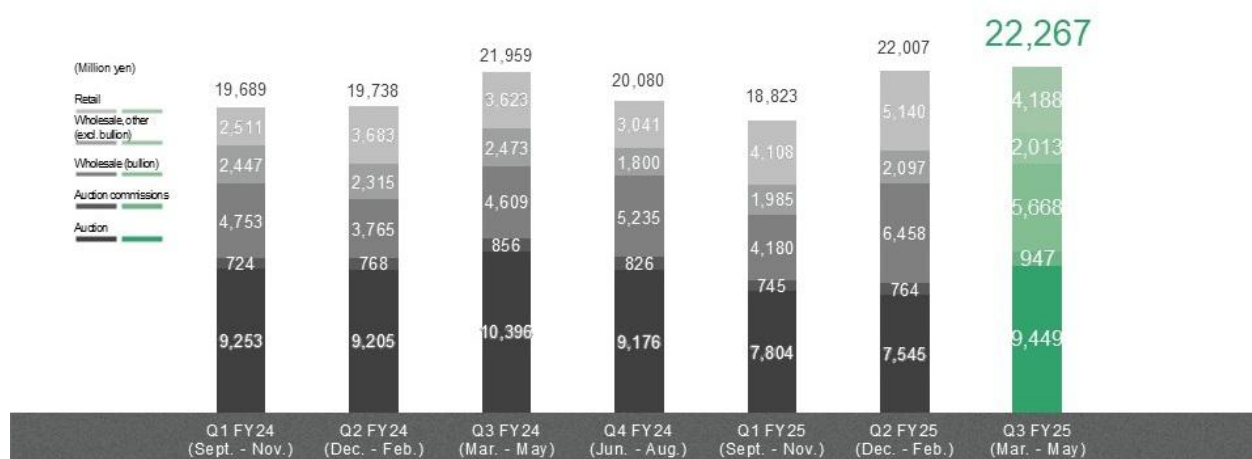
Net sales from the auction totaled 9,449 million yen (down 947 million yen, or 9.1%, from the previous corresponding period) during the third quarter of the current fiscal year, owing to the decreased purchasing appetite among overseas partners due to the U.S. tariff measures despite the enhanced product allocation to the auctions, considering seasonality and market trends. Meanwhile, net sales from auction commissions amounted to 947 million yen (up 91 million yen, or 10.6%, from the previous corresponding period) during the third quarter of the current fiscal year, particularly because of an increase in winning bids on consignments at the auctions as well as commencement of collection of membership and participation fees. Furthermore, retail net sales amounted to 4,188 million yen (up 565 million yen, or 15.6%, from the previous corresponding period) during the third quarter of the current fiscal year, largely due to strong retail store sales and domestic e-commerce sales driven by seamless listing despite overseas e-commerce sales being impacted by the U.S. tariff measures.

Also, domestic retail store net sales and wholesale (bullion) net sales expanded. Meanwhile, purchasing appetite among overseas partners at the auctions and among customers on overseas e-commerce sites was decreased

following the impact of the U.S. tariff measures. As a result, in the third quarter of the current fiscal year, domestic net sales totaled 17,804 million yen (up 1,847 million yen, or 11.6%, from the previous corresponding period) and overseas net sales totaled 4,462 million yen (down 1,539 million yen, or 25.7%, from the previous corresponding period). The ratio of overseas sales to total sales was 20.0% (down 7.3 percentage points from the previous corresponding period).

Quarterly net sales by channel and net sales (in domestic and overseas) are as follows.

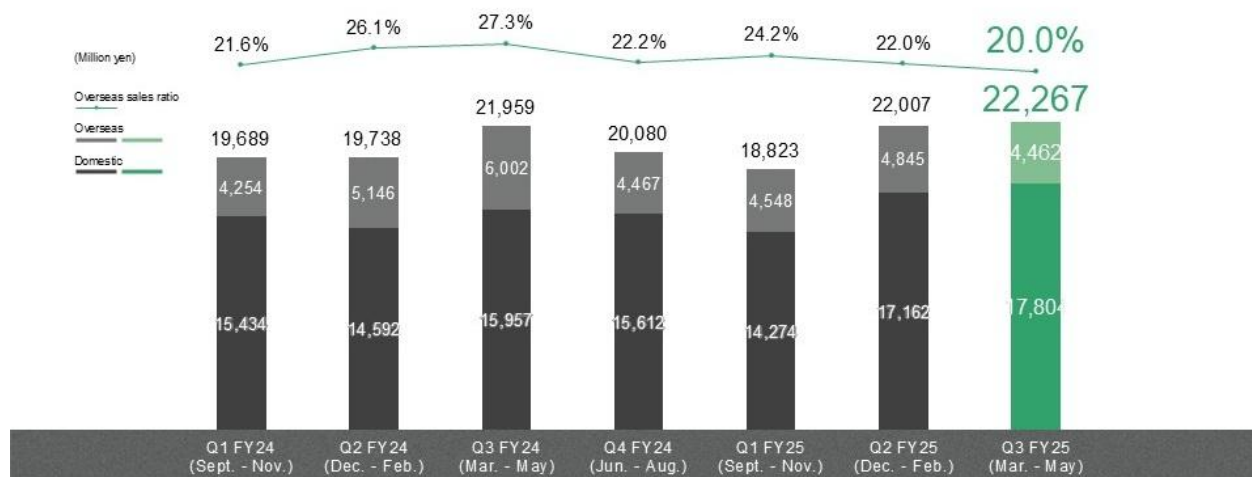
### Net Sales by Channel



\*1 Net sales for the automobile business are included in wholesale, other (excl. bullion).

\*2 From the first quarter of the current fiscal year, ALLU AUCTION net sales have been reclassified from retail to the auction and auction commissions. The same reclassification has been implemented for results for the fiscal year ended in August 2024.

### Net Sales (Domestic, Overseas)



\* From the first quarter of the current fiscal year, net sales to inbound customers have been reclassified from domestic to overseas. The same reclassification has been implemented for results for the fiscal year ended in August 2024.

The gross profit margin for the nine months under review was 25.3% (up 1.8 percentage points from the previous corresponding period) due to the continued application of a purchase policy emphasizing the gross profit margin and retail measures. The gross profit margin for the third quarter of the current fiscal year was 24.9% (down 0.6 percentage points from the previous corresponding period) due to the soft market for watches and bags impacted by the U.S. tariff measures.

In addition, selling, general and administrative expenses amounted to 14,699 million yen (down 367 million yen, or 2.4%, from the previous corresponding period) during the nine months under review. This is primarily due to continued efficiency-focused business operations such as marketing and steady progress in structural reforms, despite higher expenses such as rent expenses and depreciation associated with the opening of ALLU

SHINJUKU, as well as an increase in commission fee stemming from increased sales.

As a result of the above, operating profit amounted to 1,285 million yen (622 million yen operating loss in the previous corresponding period) during the nine months under review.

The Company Group has only one business segment—reuse business involving brand name products, antiques, works of art, and other articles. Thus, information by segment is omitted.

(2) Explanation of financial conditions

(Assets)

As of the end of the nine months under review, total current assets were 20,093 million yen, up 2,492 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 851 million yen in cash and deposits and an increase of 1,870 million yen in merchandise. Total non-current assets were 9,377 million yen, up 329 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 204 million yen in property, plant and equipment resulting from the opening of retail stores and other factors and an increase of 133 million yen in investments and other assets largely resulting from the recording of guarantee deposits related to the new construction of an automobile maintenance shop. As a result, total assets were 29,471 million yen, up 2,822 million yen from the end of the previous consolidated fiscal year.

(Liabilities)

Total current liabilities as of the end of the nine months under review were 12,968 million yen, up 2,756 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 2,100 million yen in short-term loans payable resulting from product procurement. Total non-current liabilities were 8,997 million yen, down 583 million yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease of 392 million yen in long-term loans payable resulting from scheduled payments. As a result, total liabilities were 21,965 million yen, up 2,173 million yen from the end of the previous consolidated fiscal year.

(Net assets)

Total net assets as of the end of the nine months under review were 7,505 million yen, up 649 million yen from the end of the previous consolidated fiscal year. This was mainly due to increases of 77 million yen in both capital stock and capital surplus resulting from the issuance of new shares as restricted stock compensation, and an increase of 532 million yen in retained earnings resulting from the recording of profit attributable to owners of parent.

(3) Explanation of consolidated financial results forecast and other forward-looking information

No changes have been made to the consolidated financial results forecast for the fiscal year ending in August 2025 announced on April 11, 2025.

## 2. Quarterly consolidated financial statements and major notes

### (1) Quarterly consolidated balance sheet

(Unit: thousand yen)

	Previous consolidated fiscal year (August 31, 2024)	Nune months under review (May 31, 2025)
<b>Assets</b>		
Current assets		
Cash and deposits	6,916,859	7,768,255
Accounts receivable - trade	734,171	981,919
Merchandise	7,110,435	8,980,841
Consumption taxes refund receivable	1,692,149	1,364,214
Other	1,746,668	1,580,459
Allowance for doubtful accounts	(599,469)	(581,954)
Total current assets	17,600,815	20,093,734
Non-current assets		
Property, plant and equipment		
Buildings and structures (net)	2,899,712	3,587,872
Other (net)	1,324,803	840,798
Total property, plant and equipment	4,224,516	4,428,671
Intangible assets		
Software	1,595,588	1,646,668
Other	213,523	154,934
Total intangible assets	1,809,112	1,801,603
Investments and other assets		
Shares of subsidiaries and associates	177,774	233,056
Guarantee deposits	1,941,027	2,048,001
Other	895,503	866,224
Allowance for doubtful accounts	(125)	(35)
Total investments and other assets	3,014,181	3,147,247
Total non-current assets	9,047,809	9,377,522
Total assets	26,648,624	29,471,256



(Unit: thousand yen)

	Previous consolidated fiscal year (August 31, 2024)	Nine months under review (May 31, 2025)
<b>Liabilities</b>		
Current liabilities		
Accounts payable – trade	366,983	422,499
Short-term loans payable	6,800,000	8,900,000
Current portion of bonds payable	200,000	200,000
Current portion of long-term loans payable	559,580	523,180
Income taxes payable	128,822	438,188
Provision for bonuses	335,220	565,478
Asset retirement obligations	23,897	119,965
Other	1,797,778	1,799,183
Total current liabilities	10,212,282	12,968,495
Non-current liabilities		
Bonds payable	500,000	300,000
Long-term loans payable	8,013,153	7,620,768
Asset retirement obligations	833,455	954,207
Other	233,789	122,415
Total non-current liabilities	9,580,398	8,997,391
Total liabilities	19,792,680	21,965,887
<b>Net assets</b>		
Shareholders' equity		
Capital stock	1,295,404	1,373,285
Capital surplus	1,501,423	1,579,303
Retained earnings	4,234,439	4,767,018
Treasury shares	(668,488)	(668,488)
Total shareholders' equity	6,362,779	7,051,119
Accumulated other comprehensive income		
Foreign currency translation adjustment	167,341	139,841
Total accumulated other comprehensive income	167,341	139,841
Share acquisition rights	325,823	314,408
Total net assets	6,855,943	7,505,369
<b>Total liabilities and net assets</b>	<b>26,648,624</b>	<b>29,471,256</b>

(2) Quarterly consolidated statements of income and comprehensive income  
(Quarterly consolidated statement of income)  
(For the nine months ended May 31)

(Unit: thousand yen)

	Previous nine-month period (from September 1, 2023 to May 31, 2024)	Nine months under review (from September 1, 2024 to May 31, 2025)
Net sales	61,387,550	63,098,767
Cost of sales	46,943,319	47,114,430
Gross profit	14,444,231	15,984,336
Selling, general and administrative expenses	15,066,794	14,699,094
Operating profit (loss)	(622,562)	1,285,241
Non-operating income		
Interest income	599	2,832
Foreign exchange gains	88,551	10,890
Share of profit of entities accounted for using equity method	–	55,281
Other	28,467	22,312
Total non-operating income	117,619	91,317
Non-operating expenses		
Interest expenses	78,218	136,755
Commission fee	150,388	1,488
Share of loss of entities accounted for using equity method	7,945	–
Other	13,344	14,027
Total non-operating expenses	249,897	152,271
Ordinary profit (loss)	(754,841)	1,224,287
Extraordinary income		
Gain from sales of fixed asset	2,087	–
Gain on reversal of share acquisition rights	–	24,274
Total extraordinary income	2,087	24,274
Extraordinary losses		
Loss on retirement of fixed assets	–	85,004
Impairment loss	19,519	23,795
Total extraordinary losses	19,519	108,799
Profit (loss) before income taxes	(772,273)	1,139,762
Income taxes - current	191,956	589,719
Income taxes - deferred	(304,656)	17,463
Total income taxes	(112,699)	607,183
Profit (loss)	(659,574)	532,579
Profit (loss) attributable to owners of parent	(659,574)	532,579

(Quarterly consolidated statement of comprehensive income)  
(For the nine months ended May 31)

	(Unit: thousand yen)	
	Previous nine-month period (from September 1, 2023 to May 31, 2024)	Nine months under review (from September 1, 2024 to May 31, 2025)
Profit (loss)	(659,574)	532,579
Other comprehensive income		
Foreign currency translation adjustment	58,780	(27,499)
Total other comprehensive income	58,780	(27,499)
Comprehensive income	(600,794)	505,079
Comprehensive income attributable to:		
Owners of parent	(600,794)	505,079

(3) Notes on quarterly consolidated financial statements

(Significant matters that serve as the basis for preparation of quarterly consolidated financial statements)

The quarterly consolidated financial statements have been prepared in accordance with Article 4, Paragraph 1 of the Standards for Preparation of Quarterly Financial Statements, etc. of the Tokyo Stock Exchange, Inc. and the Accounting Principles generally accepted in Japan regarding quarterly consolidated financial statements (Provided, however, that the omission of information set forth in Article 4, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements, etc. has been applied).

(Notes regarding changes in accounting policies)

The Company has adopted the Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022), Accounting Standard for Presentation of Comprehensive Income (ASBJ Statement No. 25, October 28, 2022) and Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022) from the start of the first quarter of the current fiscal year. This has no impact on the quarterly consolidated financial statements.

(Notes on Segment information, etc.)

The Company Group has only one business segment—reuse business involving brand name products, antiques, works of art, and other articles. Thus, information by segment is omitted.

(Notes in the case of significant changes in the amount of shareholders' equity)

Not applicable

(Notes regarding going concern assumptions)

Not applicable

(Notes regarding quarterly consolidated cash flow statement)

A quarterly consolidated cash flow statement is not prepared for the nine months ended May 31, 2025. Depreciation expenses (including amortization of intangible assets other than goodwill) and goodwill amortization for the nine months ended May 31, 2024 and 2025 are as follows.

	(Unit: thousand yen)	
	Previous nine-month period (from September 1, 2023 to May 31, 2024)	Nine months under review (from September 1, 2024 to May 31, 2025)
Depreciation expenses	837,715	1,037,198
Goodwill amortization	54,369	—